INLAND

TRACTS

TRACT 34454 - Caldwell Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on June 12, 2002, situated in Caldwell Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 2,110,970.00 and Y =553,980.00; thence North 00 degrees 40 minutes 57 seconds East 15,951.13 feet to a point having Coordinates of X = 2,111,160.00 and Y = 569,930.00; thence North 89 degrees 37 minutes 36 seconds East 10,740.23 feet to a point having Coordinates of X = 2,121,900.00 and Y = 570,000.00; thence South 00 degrees 58 minutes 11 seconds West 15,952.29 feet to a point having Coordinates of X = 2,121,630.00 and Y = 554,050.00; thence South 89 degrees 37 minutes 26 seconds West 10,660.23 feet to the point beginning, containing approximately 366 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, ONLY INSOFAR as it includes the said tract from the surface to a subsurface depth of four thousand feet, AND FURTHER, ONLY INSOFAR as the said tract includes coal bed seams located under said tract within the depths from the surface down to four thousand feet. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (North Zone).

NOTE: This tract is being nominated for a coal bed gas lease only. Therefore, the only rights which shall be acquired by the successful bidder on this tract shall be the rights to explore, drill, produce from and develop coal bed seams from the surface to a subsurface depth of four thousand feet. The successful bidder shall not acquire rights to any other depths below four thousand feet, or to produce and develop any other sands from the surface to a subsurface depth of four thousand feet. Included in this notice is a copy of the rider which will be attached to and modify the Louisiana State Mineral Lease form.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$10 per acre and a minimum royalty of 3/16.

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease.

Maps depicting the nominated tract are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

Any mineral lease selected from the nominated tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose.

RIDER FOR COAL BED GAS LEASE

For all purposes of this Coal Bed Gas Lease, all of the terms oil, gas and other liquid or gaseous mineral, oil and gas used in the regular lease form shall be deemed deleted and the term **coal bed gas** substituted therefor.

For all purposes of this Coal Bed Gas Lease, the paragraphs in the lease form referring to production of and royalty paid on oil shall be deemed changed to liquids associated with the production of coal bed gas.

The provision of paragraph 5(a) of the lease form referring to the offset provisions shall be deemed changed and shall, in pertinent part, read as follows:

(a) If at any time during or after the primary term there is completed on adjoining property a well drilled to a coal bed for the purpose of producing gas therefrom and located within one thousand three hundredtwenty (1320) feet of the leased premises (or within any spacing or pooling unit distance greater than 1320 feet established Commissioner of Conservation) and such well produces coal bed gas or liquids associated therewith in paying quantities for twenty (20) days (which need not be consecutive) during any period of thirty (30) days, or produces its monthly allowable during any such thirty (30) day period, rebuttable presumptions will arise: (1) that the leased premises are thereby being drained; (2) that the leased premises are not being reasonably protected from drainage by and well or wells on the leased premises or land pooled therewith; and (3) that an offsetting well on the leased premises would be economically feasible.

The remaining portion of the original paragraph 5(a) shall remain the same.

Should lessee drill, or cause to be drilled, a well with a take point within the geographical boundaries of this lease, the completion of which is not in a coal bed, and production of oil, gas or other liquid or gaseous minerals, other than coal bed gas, is established therefrom, lessee shall pay the State a liquidated damage for trespass amounting to ten thousand and no/100 (\$10,000.00) dollars. Thereafter, lessee shall pay the State the full value of 8/8ths production less the State's reasonable share of drilling and operating costs.

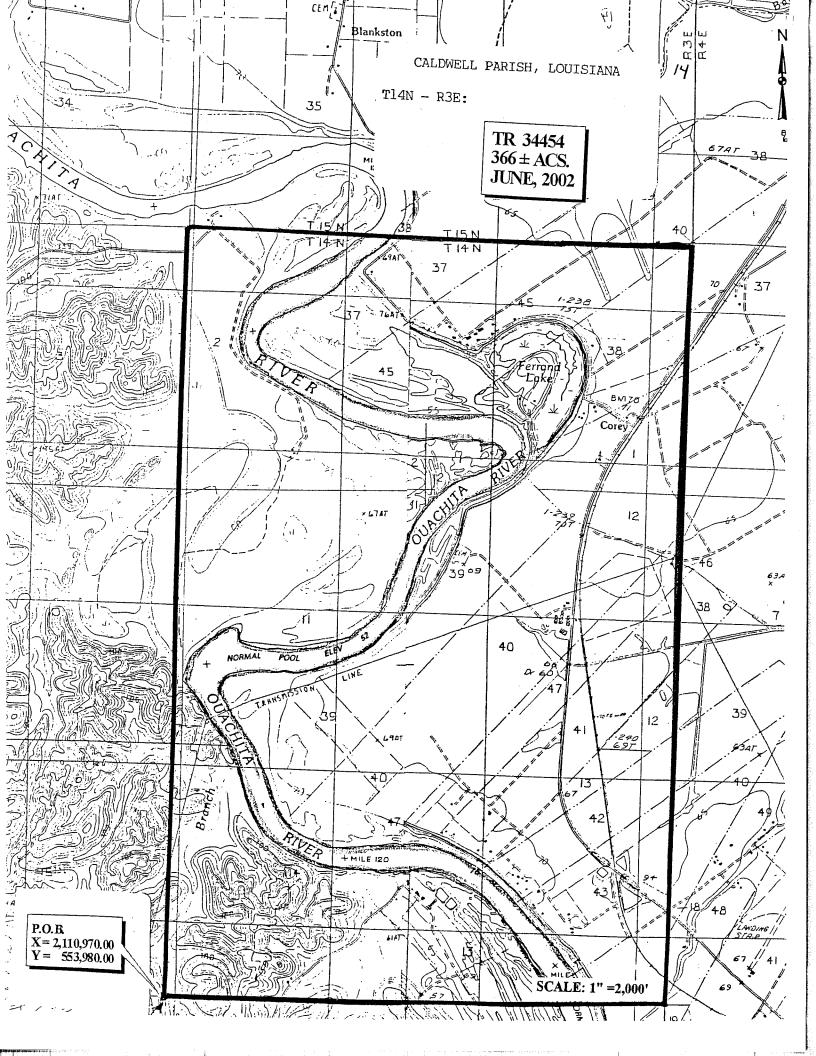
following the effective date of this lease, lessee drills and completes, or causes to be drilled and completed, a well with a take point within the geographical boundaries of the leased premises, or within the limit of one thousand three hundred-twenty (1320) feet of the lease boundary, lessee shall obtain a log from said well, which will include gamma ray, SP, neutron, sonic and dual induction logs, and provide a copy of same to the State within thirty (30) days of completion of said Upon failure of lessee to provide a log to the State, for either a well with a take point within the geographical boundaries of this lease or well drilled within one thousand three hundred-twenty (1320) feet of the lease boundaries, lessee shall pay to the State liquidated damages, separate and apart from the trespass liquidated damage herein above specified, the full sum of ten thousand and no/100 (\$10,000) dollars on the thirty-first (31) day after completion of said well. Further, the presumption shall be created that the well drilled is either subject to the offset provisions of the lease as amended herein or that lessee shall

owe the State the full value of 8/8ths of production less the State's reasonable share of drilling and operating costs.

If the said log provided to the State shows the completion within a coal bed, the offset provisions of the lease as amended above shall apply.

Applicant: Mark V Petroleum Company

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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TRACT 34455 - Caldwell Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on June 12, 2002, situated in Caldwell Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 2,116,180.00 and Y =538,200.00; thence North 00 degrees 08 minutes 43 seconds West 15,780.05 feet to a point having Coordinates of X = 2,116,140.00 and Y = 553,980.00; thence North 89 degrees 38 minutes 09 seconds East 11,010.22 feet to a point having Coordinates of X = 2,127,150.00 and Y = 554,050.00; thence South 00 degrees 06 minutes 31 seconds East 15,830.03 feet to a point having Coordinates of X = 2,127,180.00 and Y = 538,220.00; thence South 89 degrees 53 minutes 45 seconds West 11,000.02 feet to the point of beginning, containing approximately 304 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, ONLY INSOFAR as it includes the said tract from the surface to a subsurface depth of four thousand feet, AND FURTHER, ONLY INSOFAR as the said tract includes coal bed seams located under said tract within the depths from the surface down to four All bearings, distances and coordinates are based on thousand feet. Louisiana Coordinate System of 1927 (North Zone).

NOTE: This tract is being nominated for a coal bed gas lease only. Therefore, the only rights which shall be acquired by the successful bidder on this tract shall be the rights to explore, drill, produce from and develop coal bed seams from the surface to a subsurface depth of four thousand feet. The successful bidder shall not acquire rights to any other depths below four thousand feet, or to produce and develop any other sands from the surface to a subsurface depth of four thousand feet. Included in this notice is a copy of the rider which will be attached to and modify the Louisiana State Mineral Lease form.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$10 per acre and a minimum royalty of 3/16.

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease.

Maps depicting the nominated tract are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

Any mineral lease selected from the nominated tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose.

RIDER FOR COAL BED GAS LEASE

For all purposes of this Coal Bed Gas Lease, all of the terms oil, gas and other liquid or gaseous mineral, oil and gas used in the regular lease form shall be deemed deleted and the term **coal bed gas** substituted therefor.

For all purposes of this Coal Bed Gas Lease, the paragraphs in the lease form referring to production of and royalty paid on oil shall be deemed changed to liquids associated with the production of coal bed gas.

The provision of paragraph 5(a) of the lease form referring to the offset provisions shall be deemed changed and shall, in pertinent part, read as follows:

(a) If at any time during or after the primary term there is completed on adjoining property a well drilled to a coal bed for the purpose of producing gas therefrom and located within one thousand three hundredtwenty (1320) feet of the leased premises (or within any spacing or pooling unit distance greater than 1320 feet established by Commissioner of Conservation) and such well produces coal bed gas or liquids associated therewith in paying quantities for twenty (20) days (which need not be consecutive) during any period of thirty (30) days, or produces its monthly allowable during any such thirty (30) day period, rebuttable presumptions will arise: (1) that the leased premises are thereby being drained; (2) that the leased premises are not being reasonably protected from drainage by and well or wells on the leased premises or land pooled therewith; and (3) that an offsetting well on the leased premises would be economically feasible.

The remaining portion of the original paragraph 5(a) shall remain the same.

Should lessee drill, or cause to be drilled, a well with a take point within the geographical boundaries of this lease, the completion of which is not in a coal bed, and production of oil, gas or other liquid or gaseous minerals, other than coal bed gas, is established therefrom, lessee shall pay the State a liquidated damage for trespass amounting to ten thousand and no/100 (\$10,000.00) dollars. Thereafter, lessee shall pay the State the full value of 8/8ths production less the State's reasonable share of drilling and operating costs.

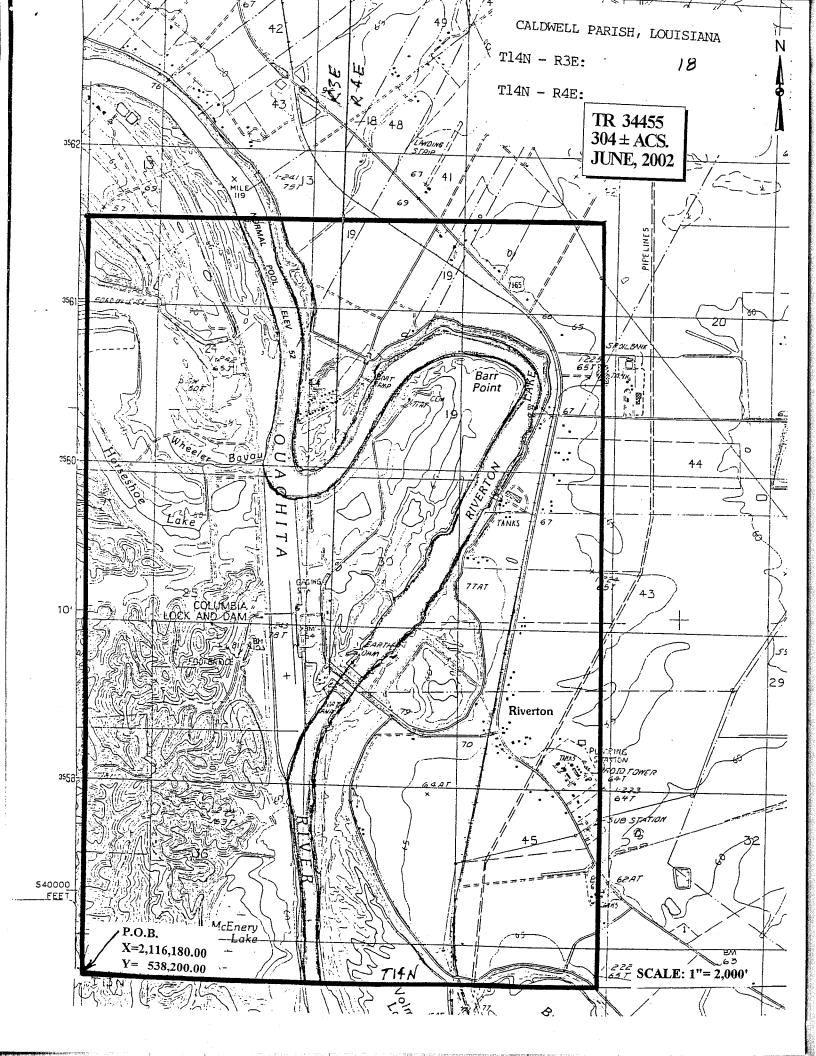
following the effective date of this lease, lessee drills and completes, or causes to be drilled and completed, a well with a take point within the geographical boundaries of the leased premises, or within the limit of one thousand three hundred-twenty (1320) feet of the lease boundary, lessee shall obtain a log from said well, which will include gamma ray, SP, neutron, sonic and dual induction logs, and provide a copy of same to the State within thirty (30) days of completion of said Upon failure of lessee to provide a log to the State, for either a well with a take point within the geographical boundaries of this lease or well drilled within one thousand three hundred-twenty (1320) feet of the lease boundaries, lessee shall pay to the State liquidated damages, separate and apart from the trespass liquidated damage herein above specified, the full sum of ten thousand and no/100 (\$10,000) dollars on the thirty-first (31) day after completion of said well. Further, the presumption shall be created that the well drilled is either subject to the offset provisions of the lease as amended herein or that lessee shall

owe the State the full value of 8/8ths of production less the State's reasonable share of drilling and operating costs.

If the said log provided to the State shows the completion within a coal bed, the offset provisions of the lease as amended above shall apply.

Applicant: Mark V Petroleum Company

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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TRACT 34456 - Caldwell Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on June 12, 2002, situated in Caldwell Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 2,116,180.00 and Y =538,200.00; thence South 01 degrees 01 minutes 29 seconds East 12,301.97 feet to a point having Coordinates of X = 2,116,400.00 and Y = 525,900.00; thence North 89 degrees 41 minutes 22 seconds East 18,450.27 feet to a point having Coordinates of X = 2,134,850.00 and Y = 526,000.00; thence North 00 degrees 53 minutes 37 seconds West 12,181.48 feet to a point having Coordinates of X = 2,134,660.00 and Y = 538,180.00; thence North 89 degrees 56 minutes 17 seconds West 18,480.01 feet to the point beginning, containing approximately 310 acres, as shown outlined on a plat file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, ONLY INSOFAR as it includes the said tract from the surface to a subsurface depth of four thousand feet, AND FURTHER, ONLY INSOFAR as the said tract includes coal bed seams located under said tract within the depths from the surface down to four thousand feet. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (North Zone).

NOTE: This tract is being nominated for a coal bed gas lease only. Therefore, the only rights which shall be acquired by the successful bidder on this tract shall be the rights to explore, drill, produce from and develop coal bed seams from the surface to a subsurface depth of four thousand feet. The successful bidder shall not acquire rights to any other depths below four thousand feet, or to produce and develop any other sands from the surface to a subsurface depth of four thousand feet. Included in this notice is a copy of the rider which will be attached to and modify the Louisiana State Mineral Lease form.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$10 per acre and a minimum royalty of 3/16.

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease.

Maps depicting the nominated tract are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

Any mineral lease selected from the nominated tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose.

RIDER FOR COAL BED GAS LEASE

For all purposes of this Coal Bed Gas Lease, all of the terms oil, gas and other liquid or gaseous mineral, oil and gas used in the regular lease form shall be deemed deleted and the term **coal bed gas** substituted therefor.

For all purposes of this Coal Bed Gas Lease, the paragraphs in the lease form referring to production of and royalty paid on oil shall be deemed changed to liquids associated with the production of coal bed gas.

The provision of paragraph 5(a) of the lease form referring to the offset provisions shall be deemed changed and shall, in pertinent part, read as follows:

(a) If at any time during or after the primary term there is completed on adjoining property a well drilled to a coal bed for the purpose of producing gas therefrom and located within one thousand three hundredtwenty (1320) feet of the leased premises (or within any spacing unit distance greater than 1320 feet established Commissioner of Conservation) and such well produces coal bed gas or liquids associated therewith in paying quantities for twenty (20) days (which need not be consecutive) during any period of thirty (30) days, or produces its monthly allowable during any such thirty (30) day period, rebuttable presumptions will arise: (1) that the leased premises are thereby being drained; (2) that the leased premises are not reasonably protected from drainage by and well or wells on the leased premises or land pooled therewith; and (3) that an offsetting well on the leased premises would be economically feasible.

The remaining portion of the original paragraph 5(a) shall remain the same.

Should lessee drill, or cause to be drilled, a well with a take point within the geographical boundaries of this lease, the completion of which is not in a coal bed, and production of oil, gas or other liquid or gaseous minerals, other than coal bed gas, is established therefrom, lessee shall pay the State a liquidated damage for trespass amounting to ten thousand and no/100 (\$10,000.00) dollars. Thereafter, lessee shall pay the State the full value of 8/8ths production less the State's reasonable share of drilling and operating costs.

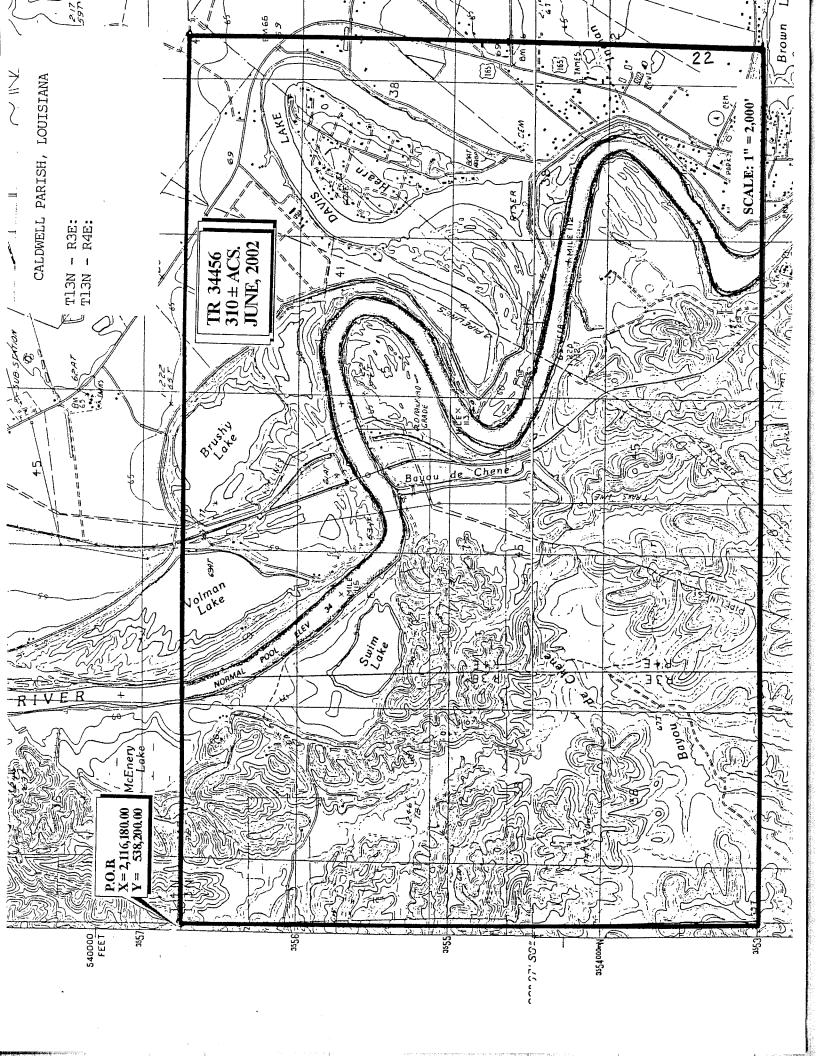
following the effective date of this lease, lessee drills completes, or causes to be drilled and completed, a well with a take point within the geographical boundaries of the leased premises, or within the limit of one thousand three hundred-twenty (1320) feet of the lease boundary, lessee shall obtain a log from said well, which will include gamma ray, SP, neutron, sonic and dual induction logs, and provide a copy of same to the State within thirty (30) days of completion of said Upon failure of lessee to provide a log to the State, for either a well with a take point within the geographical boundaries of this lease or well drilled within one thousand three hundred-twenty (1320) feet of the lease boundaries, lessee shall pay to the State liquidated damages, separate and apart from the trespass liquidated damage herein above specified, the full sum of ten thousand and no/100 (\$10,000) dollars on the thirty-first (31) day after completion of said well. presumption shall be created that the well drilled is either subject to the offset provisions of the lease as amended herein or that lessee shall

owe the State the full value of 8/8ths of production less the State's reasonable share of drilling and operating costs.

If the said log provided to the State shows the completion within a coal bed, the offset provisions of the lease as amended above shall apply.

Applicant: Mark V Petroleum Company

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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TRACT 34457 - Cameron Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on June 12, 2002, situated in Cameron Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 1,185,000.00 and Y =430,000.00; thence South 15,000.00 feet to a point having Coordinates of X = 1,185,000.00 and Y = 415,000.00; thence West 4,384.35 feet to a point on the Texas - Louisiana Boundary having Coordinates of X = 1,180,615.65 and Y = 415,000.00; thence along said Texas - Louisiana Boundary the following North 49 degrees 40 minutes 55 seconds West 282.83 feet to a point having Coordinates of X = 1,180,400.00 and Y = 415,183.00; North 64 degrees 26 minutes 49 seconds West 1,646.00 feet to a point having Coordinates of X = 1,178,915.00 and Y = 415,893.00; North 42 degrees 28 minutes 26 seconds West 1,443.90 feet to a point having Coordinates of X =1,177,940.00 and Y = 416,958.00; North 19 degrees 16 minutes 02 seconds West 2,242.61 feet to a point having Coordinates of X = 1,177,200.00 and Y= 419,075.00; North 00 degrees 34 minutes 06 seconds West 4,235.21 feet to a point having Coordinates of X = 1,177,158.00 and Y = 423,310.00; North 11 degrees 17 minutes 15 seconds East 2,513.62 feet to a point having Coordinates of X = 1,177,650.00 and Y = 425,775.00; North 21 degrees 23 minutes 27 seconds East 4,016.69 feet to a point having Coordinates of X =1,179,115.00 and Y = 429,515.00 and North 37 degrees 11 minutes 18 seconds East 608.80 feet to a point having Coordinates of X = 1,179,482.98 and Y =430,000.00; 5,517.02 feet to the point of beginning, thence East containing approximately 2,444 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, provided by the applicant, LESS AND EXCEPT that portion thereof, if any, located West of the boundary line between the States of Texas Louisiana as determined by the report of the Special Master in litigation in the Supreme Court of the United States styled Texas v. Louisiana et al No. 36 Original, or as otherwise approved by said court. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

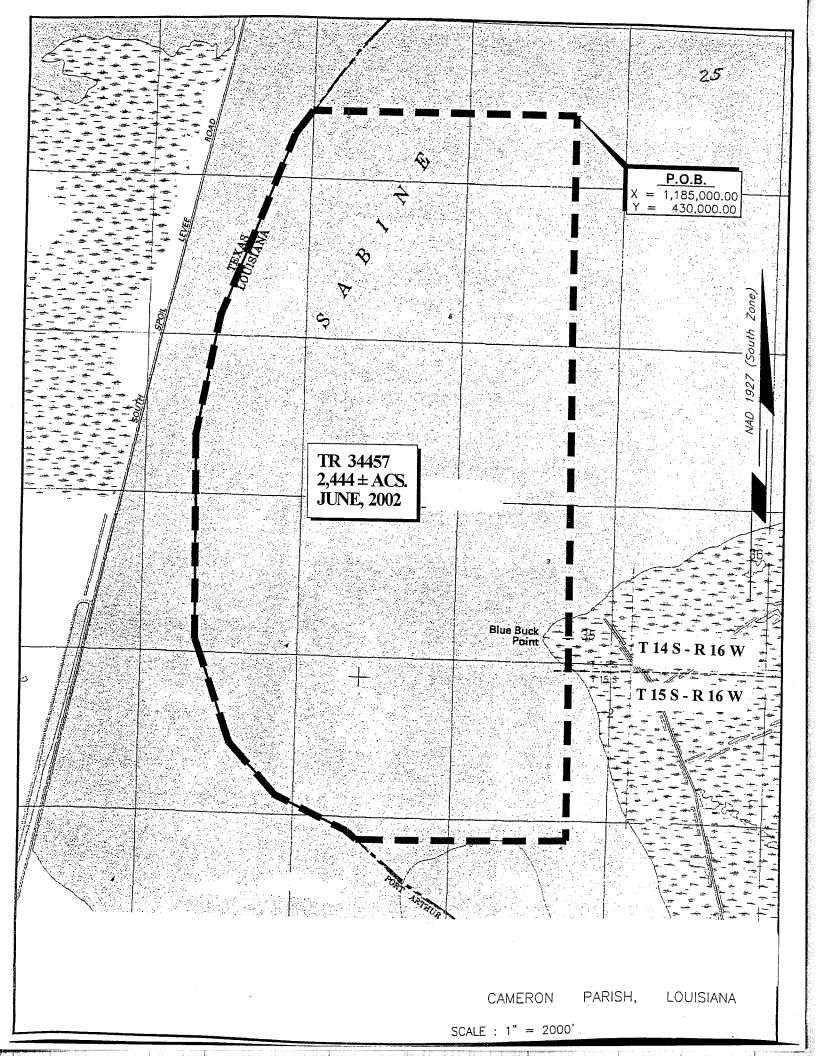
Any mineral lease selected from the nominated tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or

other existing of future obligations or conditions which may affect all or any portion of the leased tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Commissions, for the sole purpose and of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, hereinabove reserved.

Applicant: Basin Properties, Inc.

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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TRACT 34458 - Cameron Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on June 12, 2002, situated in Cameron Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 1,185,000.00 and Y = 1,185,000.00430,000.00; thence East 11,000.00 feet to a point having Coordinates of X = 1,196,000.00 and Y = 430,000.00; thence South 15,000.00 feet to a point having Coordinates of X = 1,196,000.00 and Y = 415,000.00; thence West 11,000.00 feet to a point having Coordinates of X = 1,185,000.00 and Y =415,000.00; thence North 15,000.00 feet to the point of beginning, containing approximately 2,024 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

Any mineral lease selected from the nominated tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other existing of future obligations or conditions which may affect all or any portion of the leased tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Natural Department of Resources, its Offices or Commissions, hereinabove reserved.

Applicant: Basin Properties, Inc.

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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